

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: November 2-3, 2005

Reference No.: 2.5f.(5)
Information Item

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Chief Financial Officer

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Budgets

Ref: **INFORMATIONAL REPORT – DELEGATED SUPPLEMENTAL FUNDS FOR TEN PROJECTS FOR AWARD UNDER RESOLUTION G-05-04**

Pursuant to the authority granted by Resolution G-05-04, the Executive Director of the California Transportation Commission (Commission) has approved \$13,000,000 for ten (10) previously voted projects, as described on the attached list, since the last Commission meeting.

As of this report, \$13,000,000 in supplemental funds have been allocated in FY 2005-06 for ten previously voted projects.

PROJECT DETAILS:

Project #1 - Realign Left Turn Lanes and Signalize Intersection, Riverside County, PPNO 08-0078M. This State Highway Operation and Protection Program (SHOPP) project is at the intersection of Route 86S and 62nd Avenue. The work involves realignment of existing left turn lanes and the installation of traffic signals. There was only one bid on this project. This project was allocated in August 2005 for \$1,359,000. Additional funding needed to award the project is \$547,000 (40% over vote amount). The Department contacted the contractor and was told the increase was attributed to the work associated with the asphalt concrete (AC) and roadway excavation. The price of oil is increasing at a very high rate. The contractor indicated that the escalation is increasing so much that suppliers are stipulating that quotes are valid for only three days. The other significant difference between the engineer's estimate and the low bid was mobilization.

Project #2 - Realign Left Turn Lanes and Signalize Intersection. In Riverside County, PPNO 08-0078N. This SHOPP safety project is at the intersection of Route 86S and Avenue 50 and 52. The work involves realignment of existing left turn lanes and the installation of traffic signals. There

Additional funding needed to award the project is \$766,000 (66% over vote amount). Most of the work associated with the increase is from an increase in mobilization (\$310,000). The increase in cost associated with AC was \$150,000, and the electrical, signal, and lighting items were about \$200,000 more than the engineer's estimate.

Project #3 - Best Management Practices Sites. In Los Angeles County. PPNO 07-3607. The work involves constructing ten existing Best Management Practices (BMP) sites in various locations in response to the Department's Statewide National Pollutant Discharge Elimination System (NPDES) permit and the requirements of the Department's Storm Water Management Plan (SWMP). This project was allocated in May 2005 for \$739,000. Additional funding needed to award the project is \$424,500 (57% over vote amount). This project had three bidders. The low bidder was 4% over the vote amount. He was granted "relief of bid" because of a clerical error. The amount needed is to award to the second bidder. The third bidder was 60% (\$445,000) over the vote amount. Review of the bid items indicated a significant cost increase in the items relating to the pollution elimination discharge systems, areas of unique work where there is not yet a lot of Department estimating experience. This is a BMP retrofit pilot project and one of the first the Department has done in the State to comply with a court order. The high cost increase items include removal of the existing pumps, installation of filter media, pipelines, and the debris and inclined debris screens. While the items are not unique, the work with the debris screens is custom and non-standard, with one supplier placing a high premium on the construction cost. There were also increases associated with concrete and asphalt concrete.

Project #4 - Road Realignment – In San Bernardino County near Morongo Valley. PPNO 08-0024K. This SHOPP project is on Route 62 in San Bernardino County. The work involves shoulder widening, constructing sidewalks and curb ramps, roadway realignment, cold plane and AC overlay, utility relocation, drainage improvements, and safety improvements. This project was allocated in July 2005 for \$7,164,000. Additional funding needed to award the project is \$3,881,000 (54% over vote amount). This project had four bidders. The second bidder was also 54% over the vote amount (\$3,891,509). The third bidder was 81% (\$5,795,442) over the vote amount, the fourth bidder was 85% (\$6,122,035) over the vote amount. Review of the bid items indicated a significant cost increase in the items relating to asphalt concrete, and miscellaneous and structure concrete items. The contractor also cited the increase in fuel and reflected that in mobilization and demobilization.

Project #5 - Rehabilitate Pavement – Southeast of Sonora Junction to Nevada State Line. PPNO 09-0046. This SHOPP project is on Route 395 in Mono County near Walker. The work involves placing a thin lift, gap-graded, rubberized asphalt concrete (AC) overlay, reconstructing metal beam guard-railing and constructing grinder dig-outs. The project was allocated in July 2005 for \$4,289,000. Additional funding needed to award the project is \$1,349,000 (31.4% over vote amount). There were two bidders on the project. The second bidder was 40% over the vote amount (\$1,709,000). The majority of the cost increase on this project is attributed to the price of rubberized AC (\$1,157,000).

Project #6 - Construct Retaining Walls In Monte Rio on Route 116. In Sonoma County, PPNO 04-0809M. This SHOPP project is on Route 116 in Sonoma County. The work involves constructing two retaining walls to stabilize an active slide. One retaining wall will be constructed with tieback anchors and one with tiebacks and steel piles. The project was allocated in July 2005 for \$2,580,000. Additional funding is needed to award the project in the amount of \$1,087,000. There were four bidders on the project, and the bids ranged from 34.3% to 59.3% over the engineers estimate. The majority of the cost increase on this project is attributed to tieback anchors, soil nail anchors, and drilled holes. An increase in the contingency from 5% to 10% was requested and has been approved by the Department's Chief Engineer. The increase in the contingency is being requested due to the uncertainty in site conditions and the cost associated with those uncertainties. The uncertainties include utility conflicts based on the clearance of the contractor's equipment, ground water and contaminated soil disposal, and time delays related to each of these events that was found on similar projects in the area. Additionally, discussions with the contractor revealed that competition from other construction industries and the risk associated with the rise in fuel costs and cost of building materials has also contributed to the cost increase on this project.

Project #7 - Grinding, replacing asphalt, widening on and off ramps, regarding slopes, upgrading metal beam guardrail. In Orange County, PPNO 12-B4934. This SHOPP project is on Interstate 405. The project provides safety improvements and pavement maintenance to one on-ramp and two off-ramps at the junction of Route 39 and Route 405. The work includes pavement grinding and overlay, widening to standard traffic lane and shoulder widths, relocation and installation of metal beam guardrail, grading of slopes and modifications to drainage and electrical facilities. This project was allocated in July 2005 for \$1,692,000. Additional funding needed to award the project is \$412,000 (24% over vote amount). This project had three bidders. Bids ranged from 30% to 48% over the Engineer's Estimate. The low bidder was 30% over the Engineer's Estimate. Review of the bid items indicated a significant cost increase in the items relating to asphalt concrete (AC), rubberized asphalt concrete, steel (both miscellaneous and structure steel for the retaining walls), and roadway and structure excavation items. Discussions with the contractor indicate the increase in transportation (fuel) has played a big part in the increase in those items. Approximately \$350,000 of the \$412,000 increase is attributed to AC, concrete, steel, roadway, structure excavation, and fill items.

Project #8 - Construct auxiliary lane on Interstate 405. In Orange County, PPNO 12-4964B. This SHOPP project is on Route 405. The project will construct an auxiliary lane on northbound I-405 in the city of Irvine. This project was allocated in July 2005 for \$2,901,000. Additional funding needed to award the project is \$1,248,000 (43% over vote amount). This project had two bidders. The low bidder was 51% over the vote amount. The second bidder was 73% over the vote amount. Review of the bid items indicated a significant cost increase in the items relating to asphalt concrete (AC), roadway excavation, and the electrical items. The contractor estimate for roadway excavation, and the electrical items were also significantly higher than the engineer's estimate. Approximately \$800,000 of the \$1,248,000 increase is attributed to these items. The remaining increase can be attributed to costs for other miscellaneous items. They include, but are not limited

the contractor indicate that the increase in material costs, particularly oil, has played a big part in the increase in those items. Additionally, the availability of electrical contractors has played a role in the outcome of the bid.

Project #9 - Construct retaining wall on Interstate 5. In Orange County, Minor Project. This Minor project is on Interstate 5 in San Clemente. The project will construct a retaining wall, place AC, and install ramp metering. This project was allocated by the Department in July 2005 for \$371,000. Additional funding needed to award the project is \$286,000 (77% over vote amount). Per Resolution G-05-05, the Department has the authority to allocate \$200,000 above the allocated amount for Minor A projects. The additional funding requested from the Commission is therefore \$86,000. This project had two bidders. The low bidder was 84% over the engineer estimate and the second bidder was 97% over the engineer estimate. Review of the bid items indicated a significant cost increase in the items relating to asphalt concrete (AC), structure concrete, and structure excavation (removal of aerial deposited lead), and the electrical items. The contractor estimate for structure excavation and the electrical items were also significantly higher than the engineer's estimate. Approximately \$160,000 of the \$286,000 increase is attributed to these items. Discussions with the contractor indicate that the increase in material costs, particularly oil, has played a big part in the increase in those items and the lack of available electrical contractors has put a premium on the electrical items.

Project #10 - Grinding, replacing asphalt, reconstruct damaged roadway slabs and bridge approach and departure slabs and upgrading guardrail end treatments. In San Bernardino County, PPNO 08-0134F. This SHOPP project is on Route 10. The existing pavement, bridge approach/departure slabs and shoulder have several locations of severe deterioration. The roadway rideability has degraded so that all lanes must also receive pavement grinding. This project was allocated in July 2005 for \$11,948,000. Bids opened September 22, 2005. Competition was fair with 15 proposals issued and five bids received. The low bid for this A+B contract was \$19,107,343. The A portion of the bid (contract items) was \$13,637,343, which is \$3,053,763 (29%) over the Engineer's Estimate of \$10,583,581. The low bid document had two items above the Engineer's Estimate by \$100,000 or more -- replace asphalt concrete surfacing (Type A), which was over the Engineer's Estimate by \$988,000, and Grind Existing Concrete Pavement, which was over the Engineers Estimate by \$2,238,440. The apparent low bidder indicated that the bid price to replace asphalt concrete surfacing (Type A) was influenced by the high price of the subcontractor. The subcontractor pricing was also the primary factor in the bid price for grinding existing concrete pavement.

BACKGROUND:

On July 14, 2005, the Commission approved Resolution G-05-04, delegating to its Executive Director the authority to adjust Department of Transportation (Department) construction contract award allocations in excess of the standard limits imposed by Resolution G-12. Under this

delegation, the Commission's executive director can adjust the allocation to award the construction contract. The executive director would adjust an individual contract award allocation only after consulting with the Commission's chair and two additional commissioners chosen by the chair. The construction contract award delegation was approved on a trial basis and will sunset on June 30, 2006. This authority accommodates and accelerates the construction effort made possible by the transfer of Proposition 42 funds in FY 2005-06.

Attachment

2.5 Highway Financial Matters

#	Dist	County	Route	Postmiles	Location/Description	EA-5 PPNO	Previous Allocation (x1000)	Delegated Allocation (x1000)	Total (x1000)
2.5f.(5) Informational Report – Delegated Supplemental Funds, per Resolution G-05-04									
1	08	Riverside	86	18.9/20.7	Route 86, Intersection of Route 86 and Avenues 50 and 52. Install signal and re-align left turn lanes (SHOPP) .	0C981 0078M	\$1,359	\$547	\$1,906
2	08	Riverside	86	13.1	Route 86, Intersection of Route 86 and Avenue 62. Install signal and re-align left turn lanes (SHOPP) .	0C982 0078N	\$1,158	\$766	\$1,924
3	07	Los Angeles	VAR	VAR	Various locations. Best management practices for stormwater mitigation (SHOPP)	23150 3607	\$739	\$425	\$1,164
4	08	San Bernardino	62	0.8/9.6	Realign Roadway on Route 62 (SHOPP)	35902 0224K	\$7,164	\$3,881	\$11,045
5	09	Mono	395	93.0/120.5	Rehabilitate Roadway on Route 395 (SHOPP)	31760 0446	\$4,289	\$1,349	\$5,638
6	04	Sonoma	116	13.4	Construction of Retaining Walls to stabilize active slide (SHOPP) .	1S322 0809M	\$2,580	\$1,082	\$3,662
7	12	Orange	405	16.5/17.8	Safety improvements and pavement maintenance to one on ramp and two off-ramps at the junction of State Route 39 and I-405 (SHOPP)	09942 B4934	\$1,692	\$412	\$2,104
8	12	Orange	405	1.6/3.7	The project will construct an auxiliary lane on northbound I-405 in the city of Irvine (SHOPP)	0932U 4964B	\$2,901	\$1,248	\$4,149
9	12	Orange	5	2.8/4.5	The project will construct a retaining wall, place AC and install ramp metering (MINOR A) . (*\$200,000 of cost increase was approved from the District Minor program.)	0A470 Minor	\$571*	\$86	\$657
10	08	San Bernardino	10	14.5/32.2	PCC and structure approach slabs, grind PCC pavement, AC shoulders (SHOPP) .	49370 0134F	\$11,948	\$3,204	\$15,152